

UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA
Civil No. 07-4306 (DSD/JJG)

R & D Financial Solutions, Inc.,
d/b/a R & D Technologies, Inc.,
a Minnesota corporation; Dan
Pullis, individually; and
Robert Maki, individually,

Plaintiffs.

v.

ORDER

Western Thrift and Loan Corp.,
a Nevada corporation; Columbia
Trust Company, a Nevada
corporation and Homeowners
Lending Corp., a California
corporation,

Defendants.

This matter is before the court upon the motion to disqualify bonding company and disallow bond by plaintiffs R&D Financial, Dan Pullis and Robert Maki. On July 15, 2011, defendant Western Thrift & Loan Corp. (Western Thrift) filed a supersedeas bond, written by Western Bond Company (Western Bond). See ECF No. 151.

Plaintiffs argue that Western Bond should be disqualified from posting the bond because Western Bond is a "sister, affiliated company, owned by the same persons who own or control" Western Thrift. Pls.' Mem. Supp. 1. Plaintiffs provide no support for this argument. Moreover, courts regularly accept supersedeas bonds secured by a surety affiliated with the appellant. See, e.g., Cashman Equip. Corp. v. U.S. Fire Ins. Co., No. 06-3259, 2008 WL 5000355, at *4 n.4 (E.D. Pa. Nov. 21, 2008) (declining to "impose

unsupported blanket rule which would work to preclude [appellant] from offering a bond secured by a surety company with the same corporate parent"); Warren v. State Farm Fire & Cas. Co., No. 03:05-260, 2007 WL 2127839, at *1 (E.D. Ark. July 25, 2007). Plaintiffs further argue that Western Bond should be disqualified because "A.M. Best downgraded the financial strength of" Western Bond. Pls.' Mem. Supp. 2. Western Thrift represents to the court that it has the ability to pay the judgment, see Blackmon Aff. ¶ 7, and the court has no reason to doubt this representation. Therefore, disqualifying the bond company and disallowing the bond is not warranted. See Warren, 2007 WL 2127839, at *2. Accordingly, plaintiffs' motion [ECF No. 152] is denied.

Dated: August 11, 2011

s/David S. Doty
David S. Doty, Judge
United States District Court